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## Provinces Offer Enhanced Registered Education Savings Plans

As the cost of a post-secondary education has continued to increase at a pace beyond the rate of inflation, Canadian governments have focused on finding ways to help students and their families prepare for the costs of obtaining higher education. During the past decade, the federal government has made significant changes to the Registered Education Savings Plan (RESP). Changes including the introduction of the Canada Education Savings Grant and the Canada Learning Bond, have increased the popularity of RESPs.

Several provinces have already introduced programs to help students and their families in planning for future education costs. For example, the province of Saskatchewan has just announced the Saskatchewan Advantage Grant for Education Savings. Under this proposed plan, for an annual contribution of up to \$2,500 to an RESP, the province will contribute a maximum of \$250 to the RESP at a 10% matching rate. This program gives families an incentive to make regular contributions to the plan.

Depending on the age of the beneficiaries in an RESP, amounts invested may stay in the plan for as long as 20 to 25 years. This is a valuable opportunity for financial institutions to leverage these products to grow their long-term assets under management. Advisors can foster existing client relationships by introducing value-added investment vehicles, such as provincially-enhanced RESPs. They may also attract new clients by making these products available. For these reasons, it is mutually beneficial to both clients and financial institutions to pursue strategies that allow them to offer enhanced RESPs made available by these provinces.



Manitoba now joins Alberta and Quebec as provinces offering additional incentives for families to save using RESPs. It is very likely that additional provinces will pursue this strategy and introduce their own unique RESP enhancements in the coming years. The anticipated increase in both the availability and consumer interest in these enhanced RESPs, will be an important need for financial institutions to service.

At PAISLEY PARACHUTES INC., we have the experience, knowledge and technical skills to help your organization implement RESP enhancements quickly and cost effectively. We can assist at all stages of the design, implementation and delivery, including: understanding and explaining the legislative changes, ensuring the required enhancements are integrated into information technology systems, preparing users through training and communication, and by providing marketing and client facing materials and tools. For more information on this and related topics, please contact us.

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